
TITLE 405 OFFICE OF THE SECRETARY OF FAMILY AND SOCIAL SERVICES

Notice of Public Hearing

LSA Document #15-34

Notice of Public Hearing

Under [IC 4-22-2-24](#), notice is hereby given that on March 26, 2015, at 9:00 a.m., at the Indiana Government Center South, 402 West Washington Street, Conference Center Room 5, Indianapolis, Indiana, the Office of the Secretary of Family and Social Services will hold a public hearing on a proposed rule that amends [405 IAC 1-4.2-4](#) to extend through June 30, 2017, the three percent rate reduction for covered home health agency (HHA) services that is currently set to expire on June 30, 2015, and clarify the time limits for submission of requested documentation; amends [405 IAC 1-8-3](#) to extend through June 30, 2017, the three percent rate reduction for covered outpatient hospital services that is currently set to expire on June 30, 2015; amends [405 IAC 1-10.5-6](#) to extend through June 30, 2017, the three percent rate reduction for covered inpatient hospital services that is currently set to expire on June 30, 2015; amends [405 IAC 1-11.5-2](#) to update the list of procedure codes exempt from the physician global surgery policy; amends [405 IAC 1-12-21](#) to modify the Medicaid reimbursement rule for covered services provided by privately (nonstate) owned intermediate care facilities for the mentally retarded (ICFs/MR) licensed as a comprehensive rehabilitative management needs facility (CRMNF); amends [405 IAC 1-12-27](#) to extend through June 30, 2017, the one percent rate reduction for covered services provided by privately (nonstate) owned intermediate care facilities for the mentally retarded (ICFs/MR) and community residential facilities for the developmentally disabled (CRFs/DD) that is currently set to expire on June 30, 2015; amends [405 IAC 1-14.6-2](#) to update and add definitions; amends [405 IAC 1-14.6-5](#) to add a penalty for untimely filing of the Checklist of Management Representations; amends [405 IAC 1-14.6-7](#) to amend the case mix indices, inflation adjustment, and effective dates; amends [405 IAC 1-14.6-9](#) to modify effective dates, substitute the language "total quality score" for "report card score", and modify the newly defined total quality score; amends [405 IAC 1-14.6-18](#) to update beginning and end dates for allowable costs; amends [405 IAC 1-14.6-24](#) to extend until June 30, 2017, the nursing facility quality assessment fee enhanced reimbursements and change the quality assessment provisions and to conform with applicable statutory provisions and the federal waiver; amends [405 IAC 1-14.6-26](#) to extend through June 30, 2017, the three percent rate reduction for reimbursed nursing facility services that is currently set to expire on June 30, 2015; amends [405 IAC 1-19-2](#) to revise the time period providers are required to notify the office of a change in ownership; amends [405 IAC 1-20-2](#) to change mandatory language to permissive; amends [405 IAC 5-24-6](#) to extend through June 30, 2017, the Medicaid dispensing fee maximum of three dollars and ninety cents that is currently set to expire on June 30, 2015; amends [405 IAC 5-24-13](#) to revise and clarify the criteria for determining when legend and nonlegend water products are to be included in the nursing facility per diem rate and when they are to be reimbursed through the pharmacy benefit; adds [405 IAC 5-24-14](#) to add criteria for determining when skin protectants, sealants, moisturizers, and ointments are to be included in the nursing facility per diem rate and when they are to be reimbursed through the pharmacy benefit; amends [405 IAC 5-31-4](#) to revise the criteria for determining when legend and nonlegend water products are included in the nursing facility per diem rate and add criteria for determining when skin protectants, sealants, moisturizers, and ointments are to be included in the nursing facility per diem rate.

The Indiana Family and Social Services Administration's (FSSA) Office of Medicaid Policy and Planning (OMPP) intends to adopt a rule that continues the current reductions to Medicaid reimbursement to various Medicaid provider types that are referenced above. In addition, the proposed rule will reduce the Medicaid reimbursement rate paid to privately (nonstate) owned intermediate care facilities for the mentally retarded (ICFs/MR) that are licensed as a comprehensive rehabilitative management needs facility (CRMNF) and will update the list of procedure codes exempt from the global surgery policy. The estimated total fiscal impact is \$85.3 million in State Fiscal Year (SFY) 2016 and \$88.3 million in SFY 2017 (amounts represent total federal and state Medicaid program savings). The rate reductions are necessary in order to remain within the available Medicaid appropriation.

FSSA also proposes to amend its rules concerning the nursing facility quality assessment fee (QAF) and nursing facility change of ownership requirements to ensure the Medicaid administrative rules are consistent with state law concerning the nursing facility QAF and federal regulations regarding nursing facility change in ownership. Any actual cost of compliance is likely to vary by provider. However, the costs and requirements in the proposed rule are necessary to comply with the Centers for Medicare and Medicaid Services and to carry out the General Assembly's direction.

All parties interested in the proposed rule are invited to attend the public hearing and to offer public comments. In lieu of attendance at the public hearing, written comments may be sent to: FSSA, Attention: Joy Heim, 402 W. Washington St., Room W374, Indianapolis, IN 46204. Correspondence should be identified in the following manner: "COMMENT RE: LSA Document #15-34, Rate Reduction Amendments". All written comments concerning the rule received by the Office of Medicaid Planning and Policy will be available for public inspection

at the Office of General Counsel, Indiana Government Center South, 402 West Washington Street, Room W451, Indianapolis, Indiana.

Copies of the proposed rule and this notice are now available on the Family and Social Services Administration website at:

<http://www.in.gov/fssa/4543.htm>

Copies of the proposed rule and this notice are now available and may be inspected by contacting the director of the local county Division of Family Resources office, except in Marion County, where public inspection may be made at 402 West Washington Street, Room W451, Indianapolis, Indiana.

Copies of these rules are now on file at the Indiana Government Center South, 402 West Washington Street, Room W451 and Legislative Services Agency, Indiana Government Center North, 100 North Senate Avenue, Room N201, Indianapolis, Indiana and are open for public inspection.

John J. Wernert, M.D.
Secretary
Indiana Family and Social Services Administration

Posted: 03/04/2015 by Legislative Services Agency
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